

Agenda Date: 10/22/04

Agenda Item: III A

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF COMCAST)	<u>RENEWAL</u>
OF NORTHWEST NEW JERSEY, LLC FOR A)	<u>CERTIFICATE OF APPROVAL</u>
RENEWAL CERTIFICATE OF APPROVAL TO)	
CONTINUE TO CONSTRUCT, OPERATE AND)	
MAINTAIN A CABLE TELEVISION SYSTEM AND)	
CABLE COMMUNICATIONS SYSTEM IN AND)	
FOR THE TOWNSHIP OF WASHINGTON, COUNTY)	
OF WARREN, STATE OF NEW JERSEY)	DOCKET NO. CE04070711

SERVICE LIST ATTACHED

BY THE BOARD:

On April 18, 1980, the Board granted Washington Cable Company, Inc. ("Washington") a Certificate of Approval in Docket No. 803C-6651, for the construction, operation and maintenance of a cable television system in the Township of Washington ("Township"). Prior to the issuance of the Certificate, on January 17, 1980, the Board approved the transfer of the Certificate from Washington to Futurevision Cable Enterprises, Inc. ("Futurevision"), in Docket No. 791C-6614. The Certificate was issued to the petitioning company, Washington, but Futurevision was obliged to meet all obligations agreed to by its predecessor. On September 1, 1988, in Docket No. CM86050542, the Board approved the transfer of the Certificate from Futurevision to Storer Cable Communications of Northwest New Jersey, Inc. d/b/a Storer Cable Communications ("Storer"). On June 6, 1991, the Board granted Storer a Renewal Certificate of Approval for the Township in Docket No. CE90020070. On November 30, 1992, in Docket No. CM92080843, the Board approved the petition of Comcast Cablevision (a 50% shareholder of the Certificate) and Storer to transfer all assets to Comcast Cablevision, Inc. ("Comcast").

On June 27, 1994, Comcast notified the Board's Office of Cable Television that it would now be known as Comcast Cablevision of Northwest New Jersey, Inc. On January 30, 2003, Comcast Cablevision of Northwest New Jersey, Inc. notified the Board that it would be known as Comcast Cablevision of Northwest New Jersey, LLC. On September 9, 2003, Comcast Cablevision of Northwest New Jersey, LLC notified the Board that it would be known as Comcast of Northwest New Jersey, LLC. ("Petitioner"). Although the Petitioner's above

referenced Certificate expired on April 18, 2000, it is authorized to continue to provide cable television service to the Township pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the Township on July 15, 1999, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The Township, after public hearing, adopted a municipal ordinance granting renewal consent to the Petitioner on May 18, 2004. On May 21, 2004, the Petitioner formally accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24.

On July 26, 2004, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Township. The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** the following:

1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the Township reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system will ensure that the Petitioner provides safe, adequate and proper service.
3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
4. The franchise period as stated in the ordinance is 15 years with an automatic renewal provision of five years thereafter pursuant to N.J.S.A. 48:5A-19 and -25. The Board finds these periods to be of reasonable duration.
5. The Township may review the performance of the Petitioner with regard to the ordinance at its discretion. If the Township determines that the Petitioner has failed to substantially comply with the material terms and conditions of the ordinance, the Township shall provide written notice to the Petitioner of such alleged instances of non-compliance and shall grant the Petitioner 90 days to cure such deficiency. The Township may petition the Board for appropriate administrative action, including revocation of the franchise or reduction of the franchise term, only after the 90-day opportunity to cure has passed and the deficiency has not been cured.
6. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates and promptly file any revisions thereto.

7. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Township. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
8. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. Currently, the local office serving this provision is located at 155 Port Murray Road in Port Murray, New Jersey.
9. The franchise fee to be paid to the Township is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Township. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
10. The Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate. The minimum homes per mile figure is 35.
11. The Petitioner has agreed to provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner currently has one system wide public access channel for use by subscribers, organizations and entities served by the cable system. The Petitioner maintains a fully equipped operational local production studio for use by the Township, the Petitioner and other access producers. The Petitioner provides training in the use of the studio, which is a prerequisite for its use.
12. The Petitioner shall continue to support the ability to route external cable channels into the Warren Hills Regional High School internal cable network.
13. The Petitioner shall allocate a weekly four hour block of time to the Township and its designees on the system wide public access channel for the taped cablecasting of non-commercial programming. Additional time is to be provided, as needed, in the event the Warren Hills Regional High School sports teams are playing Division or State playoff games. The Petitioner shall accept ½" or ¾" video tape or digital video discs.
14. Within 12 months of the date of issuance of this Certificate, the Petitioner shall provide a one-time grant to the Township in the amount of \$27,000.00 for technology-related or Internet access needs. Upon completion of this provision, the Petitioner shall submit proof to the Office of Cable Television indicating its compliance with this provision.

15. The Petitioner shall also provide a one time grant to the Warren Hills Regional High School in the amount of \$5,000.00 for television or video production equipment.
16. The Petitioner shall provide a video outlet in each classroom or instructional space in any new public school or addition to a public school and ensure that there is a signal of sufficient strength to feed those outlets.
17. The Petitioner shall provide free standard installation and basic monthly cable service on one outlet to the following: a) Administration Building; b) Police Department building; c) Department of Public Works; d) the fire department buildings located at 196 Washburn Avenue and 16 Pleasant Valley Road; e) Brass Castle Elementary School; f) Port Colden Elementary School; and g) Warren Hills Regional High School as well as any municipal building, library or first aid squad that may be constructed in the Township, provided that the facility is within 200 feet of activated cable distribution plant.
18. Upon reasonable written request of the Township, the Petitioner shall appear, at least once annually, at a public meeting of the governing body or before the Township's Cable Television Advisory Committee, to discuss matters pertaining to the provision of cable service to the residents of the Township and other related issues.

Based upon these findings, the Board **HEREBY CONCLUDES**, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq., that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is **HEREBY ISSUED** this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Township.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq., including but not limited to, the technical standards 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

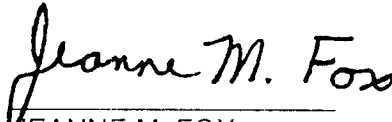
Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

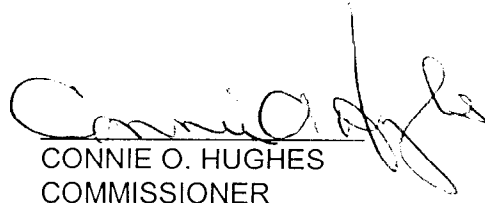
This Certificate shall expire on April 18, 2015.

DATED: 10/22/04

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

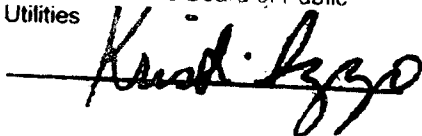

CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



APPENDIX "I"
Office of Cable Television
Line Extension Policy

Comcast of New Jersey II, LLC
Township of Washington

A cable operator is required to absorb the cost of extensions to the system in the same proportion that the extension is to the remainder of the system.

Actual subscribers served by the extension are required to absorb the remainder of the cost.

If new subscribers are added to the extension the cost is adjusted and those who previously paid receive an appropriate rebate.

- | | | |
|--|---|---|
| 1. $\frac{\text{\# of homes in extension}}{\text{mileage of extension}}$ | = | homes per mile (HPM) of extension |
| 2. $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system *}}$ | = | ratio of the density of the extension to the minimum density which the company constructs in the system ("A") |
| 3. Total cost of building the extension times "A" | = | company's share of extension cost |
| 4. Total cost of building extension less company's share of extension cost | = | total amount to be recovered from subscribers |
| 5. $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}}$ | = | each subscriber's share |

In any case, the company shall extend its plant along public rights of way to:

1. All residences and businesses within 150 aerial feet of the operator's existing plant at no cost beyond the normal installation rate.
2. All residences and businesses within 100 underground feet of the operator's plant at no cost beyond the normal installation rate.

* The minimum HPM that the company actually constructs in the system or municipality is the minimum number of homes that the company has historically constructed at its own cost. This is a function of the operator's break-even point and its rate of return. Unbuilt systems will use the primary service area rather than construction.

The operator's installation policies shall apply to construction beyond the public right of way.

Detailed accounting and/or financial information to support the minimum HPM shall be supplied to the Office for its approval in such form as required. The minimum HPM shall be updated as appropriate.

When a request for service is received, and unless good cause is shown, cable companies shall:

1. Provide a written estimate within 30 days of such a request.
2. Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
3. Complete construction within six months of receipt of any deposit monies from potential subscribers.
4. Inform each home passed along the extension of the potential costs for subscribers.

Subscribers who pay for an extension shall be entitled to rebates in the following manner:

1. If the company acquires new subscribers subsequent to the initial calculation of step 5 above, the formula will be adjusted and those who have previously paid for the extension will be entitled to an appropriate rebate. In no event shall the amount of the rebate exceed the subscriber's contribution.
2. The company shall keep accurate records of the cost of the extension, the amounts paid by subscribers and any appropriate adjustments.
3. The company shall notify subscribers in the extension of their rights and responsibilities concerning the extension.
4. Once an individual dwelling has paid its share of the extension cost future reconnections or installations shall be made at the company's standard rates.
5. After a period of five years from the installation of the first dwelling unit in the extension no further adjustments shall be made. Installations after five years shall be at the company's standard rate.
6. Once a subscriber is installed, that person shall not normally be entitled to a refund of any monies paid for the installations, except in accordance with the rebate procedure outlined in this policy.

Definitions

Primary Service Area

The Primary Service Area (PSA) can be an entire municipality, but in many instances the PSA is a limited area within a community outside of which a line extension policy may apply.

The PSA is depicted by a franchise map and narrative, presented and recorded during the franchise proceedings. It normally remains a fixed geographic area throughout the life of the franchise.

Line Extension Survey

Potential subscribers residing outside the PSA who request service are entitled to an estimate of their share of the cost to secure service. When conducting a survey and estimating costs, a cable company should factor in all potential subscribers who could practicably be included in the extension and give consideration to apparent residential construction in areas contiguous to the proposed extension.

SERVICE LIST

Richard P. DeAngelis, Jr.
Stryker, Tams and Dill
Two Penn Plaza East
Newark, NJ 07105

Mary Ann O'Neil
Township Clerk
Township of Washington
350 Route 57 W.
Washington, NJ 07882

Molly Adams
Manager of Public Affairs
Comcast
800 Rahway Avenue
Union, NJ 07083

Celeste M. Fasone, Director
Office of Cable Television
Two Gateway Center
Newark, NJ 07102

Karen A. Marlowe, Coordinator
State and Local Planning North
Office of Cable Television
Two Gateway Center
Newark, NJ 07102